

SUSTAINABILITY STATEMENT



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OUR SUSTAINABILITY JOURNEY

Working with respect for people and our planet is the only way to ensure the long-term success and sustainability of our businesses. Progressively, our focus on corporate responsibility must become more strategic so that we can continue building value for all stakeholders – our customers and investors, our employees and business partners, and the communities in which we operate.

Sustainability reporting is a developing field where best practices are always evolving to address new stakeholder demands. Investors, for example, are increasingly factoring non-financial benchmarks into their decision-making processes, and stock market regulators are responding accordingly. In 2015, Bursa Malaysia joined the growing number of stock exchanges that require listed companies to publish a statement of their material economic, environmental and social performance in their annual reports.

Good reporting practices are available for many industries, but the diversity of PPB's business activities makes a one-size-fits-all framework unsuitable. We require a bespoke process that ensures that material issues are appropriately mapped at business division level and consolidated so we can better understand Group-level risks and opportunities. We therefore initiated a process in 2016 whereby our Malaysian operations from our main segments – *Grains & Agribusiness, Consumer Products, Film Exhibition & Distribution, Environmental Engineering & Utilities and Property* – began collecting data on sustainability parameters defined by international reporting guidelines and frameworks, such as the Global Reporting Initiative (GRI).

This Sustainability Statement is the first output of this process, and for this reporting year includes the operations of our Malaysian subsidiaries only. We expect to incorporate our non-Malaysian operations in the near future. This statement describes our performance on key non-financial metrics, highlights areas where our sustainability management and processes can be strengthened and provides a basis on which we can continually improve our reporting to better meet the expectations of our stakeholders.



The Italian Baker's baking plant in Pulau Indah.

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Our first step was to learn more about what sustainability actually means in our business segments. To ensure alignment with best practices and secure an external assessment of our performance, we engaged third party sustainability experts with experience in the Malaysian context to facilitate the process.

BENCHMARKING AGAINST PEERS

A detailed benchmarking exercise was organised to identify broad trends and specific issues in each segment where PPB and its subsidiaries (hereinafter referred to as “PPB Group” or “Group”) operate. Best practices implemented by our peers in Malaysia, as well as by Asian and global sustainability leaders, were also highlighted. For this exercise we defined peers as companies in similar industries to those in which our divisions operate. PPB’s public disclosures were compared with disclosures made by peers using a framework based on typical stakeholder requirements and international reporting standards, including the GRI and investor-led benchmarks, such as FTSE4Good and the Dow Jones Sustainability Index.

MAPPING DISCLOSURE GAPS AGAINST PERFORMANCE

PPB had not previously been subject to sustainability disclosure requirements, and our current Group disclosures could be more comprehensive to reflect our sustainability performance and initiatives at division level. We therefore began collecting initial input from all business divisions, including sustainability-related policies, key performance indicators (KPIs) and available data. This enabled us to identify areas where we could expand and improve our disclosures.

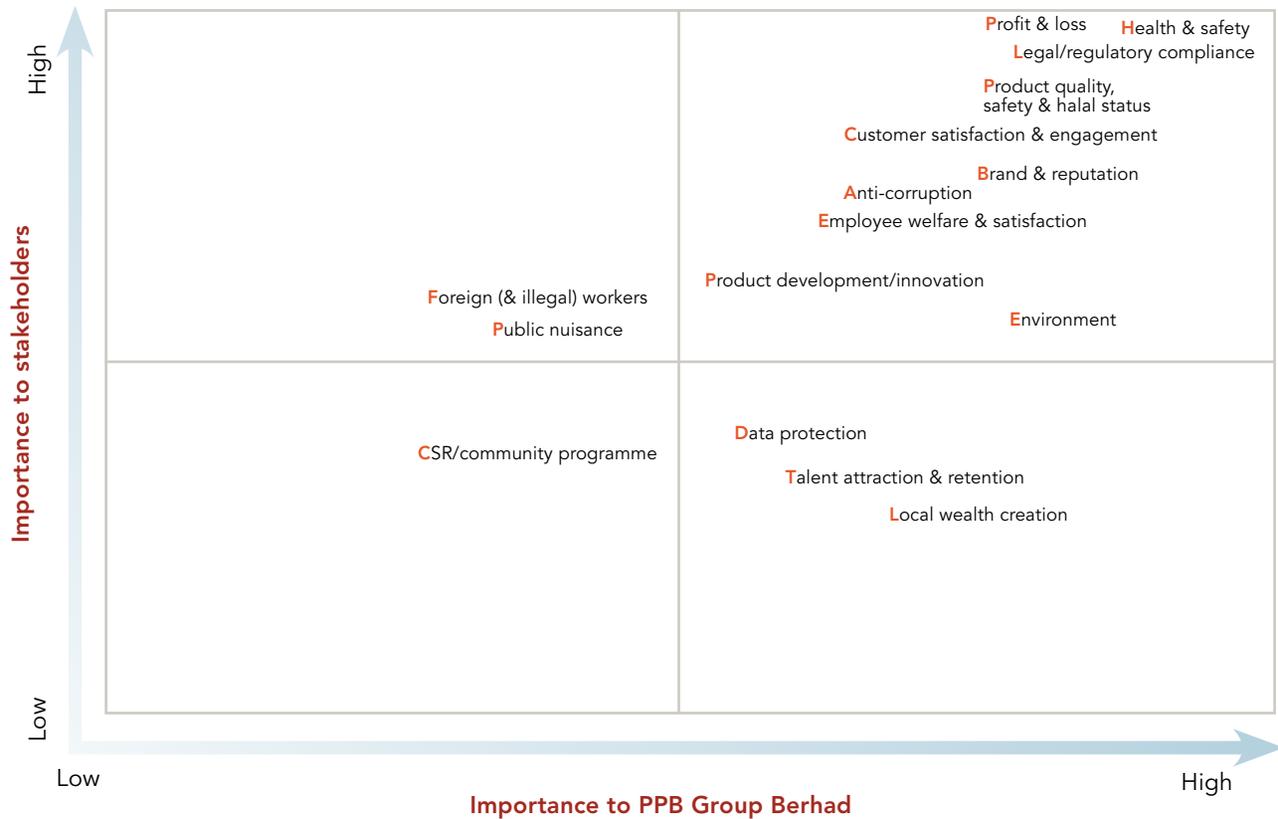
IDENTIFYING MATERIAL ISSUES AT BUSINESS DIVISION LEVEL

Our next step was to organise six workshops across our Klang Valley operations to identify specific material issues in each business division. Between 15 to 40 key staff and managers participated in each workshop. To familiarise participants with best practices in their segments, the benchmark findings were presented alongside our consultant’s view on current PPB Group disclosures and performance. The in-depth discussions that followed led to agreement on the key material sustainability issues impacting each segment, and an overview of existing corporate responsibility initiatives undertaken at division level.

Having reached consensus, each workshop group positioned its agreed sustainability issues on a materiality matrix according to level of importance measured along two axes: “Importance to stakeholders” and “Importance to PPB Group”. The draft matrix for each division then underwent validation with representatives from each workshop group and final adjustments were made.

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BOARD REVIEW AND GROUP MATERIALITY MATRIX



PPB Group's materiality matrix

The approved materiality matrices were combined into a consolidated matrix of 16 prioritised issues relating to the activities of PPB Group as a whole. This consolidated matrix, the final materiality matrix for each division, and all other findings from the workshop sessions were presented to the PPB Board of Directors for review and discussion. Final adjustments in line with PPB's overall sustainability strategy were made.

Once approved by the Board, the issues defined and prioritised by our working groups formed the basis of an agreed set of KPIs. The indicators are grouped into the four dimensions where our sustainability efforts are focused: environmental impact, working environment, marketplace engagement and community investment.

We will use these indicators as we report on our future sustainability performance, confident that they relate directly to the issues that matter most, for both our Group and our stakeholders.

Next steps on our journey

Based on what we have learned from our first reporting process, our identification of material issues, mapping of performance levels and feedback from stakeholders, we will begin developing a sustainability policy that sets out priorities for the Group and expected actions from each business segment. To accommodate extensive consultation with all divisions and external stakeholders, our target for completing this work is 2018.

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TARGETS

Target	Year
Zero fatalities for all business divisions	Ongoing
Establish a senior-level formal sustainability steering committee reporting to the Board to drive policy implementation and strategy	2017
PPB Group and its divisions to establish a joint CSR task force to develop a community investment strategy	2017
10% reduction in accidents for livestock farming	2017
Flour and animal feed division and GSC to commission a carbon footprint assessment and/or an energy reduction plan	2018
GSC to commission a water footprint assessment and/or a water reduction plan	2018
Property to commission a water footprint assessment and/or a water reduction plan	2018
Develop a sustainability policy that sets out priorities for the Group and expected actions from each business segment	2018

PROTECTING OUR PLANET

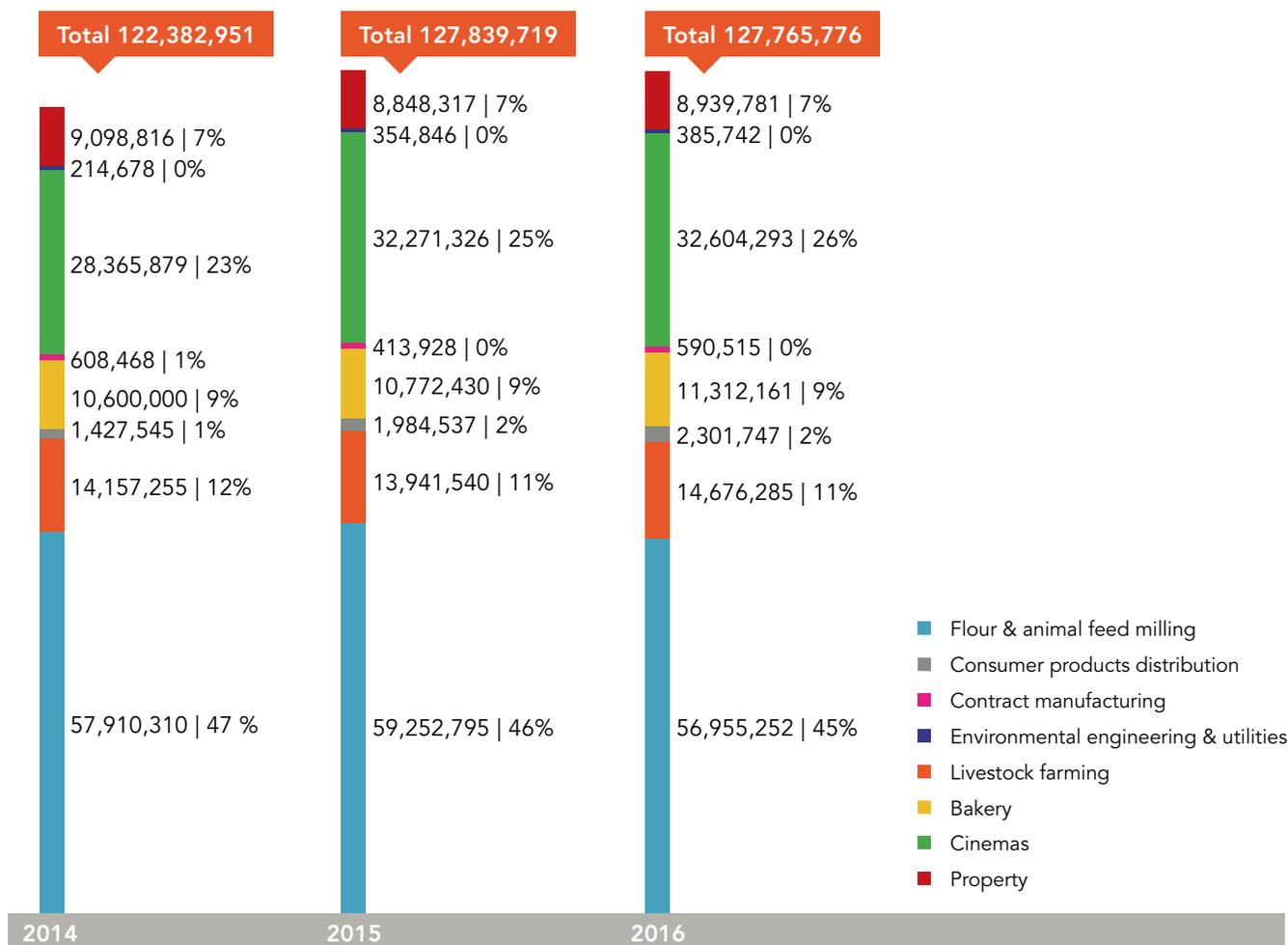
The key environmental challenges faced by businesses in Malaysia today are related to three global trends: climate change, resource scarcity and a growing focus on protecting fragile ecosystems and biodiversity. Our materiality identification exercise showed that the most immediate issues within our own operations relate to resource use and the impact of this use – particularly water, energy and waste. We mainly operate in industrialised zones and urban areas, primarily in the Klang Valley, Malaysia, and have relatively little direct impact on biodiversity, although we recognise that our supply chains may have some impact on ecosystems. We therefore believe our most significant action points should target the reduction and mitigation of climate change, water impact and waste management.

STRENGTHENING OUR RESPONSE TO CLIMATE CHANGE

Climate change is having an impact on Malaysia's people and economy through more extreme weather events, such as the 2014–2015 floods that displaced over 200,000 people and caused billions of ringgit of damage. Climate change may also have adverse effects on PPB Group's businesses as supply chains are disrupted, property is damaged and employees are forced to relocate.

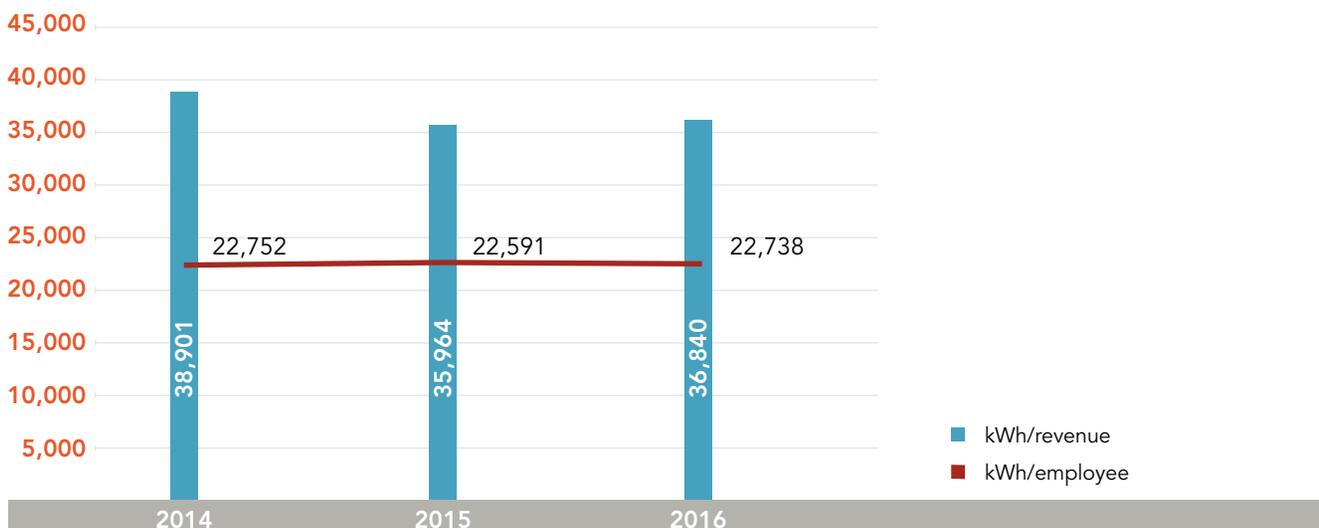
We acknowledge that all business activities impact climate change through their use of energy and natural resources. In our segments, electricity consumption is by far the largest direct source of carbon emissions, and we have started to map our energy use across all business divisions. This would help us to identify new opportunities for CO₂ emission reductions, including more energy-efficient processes and designs.

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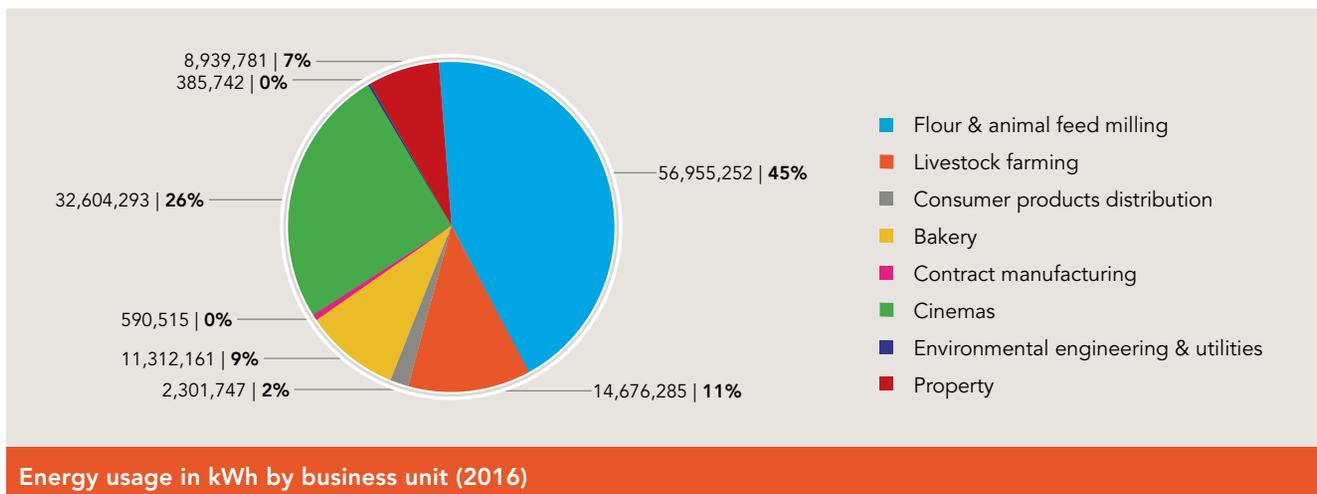
Energy usage in kWh by business unit (2014-2016)

Note: Energy usage figures do not include PPB Head Office or operations outside Malaysia.



Energy usage in kWh per employee and kWh per million RM revenue

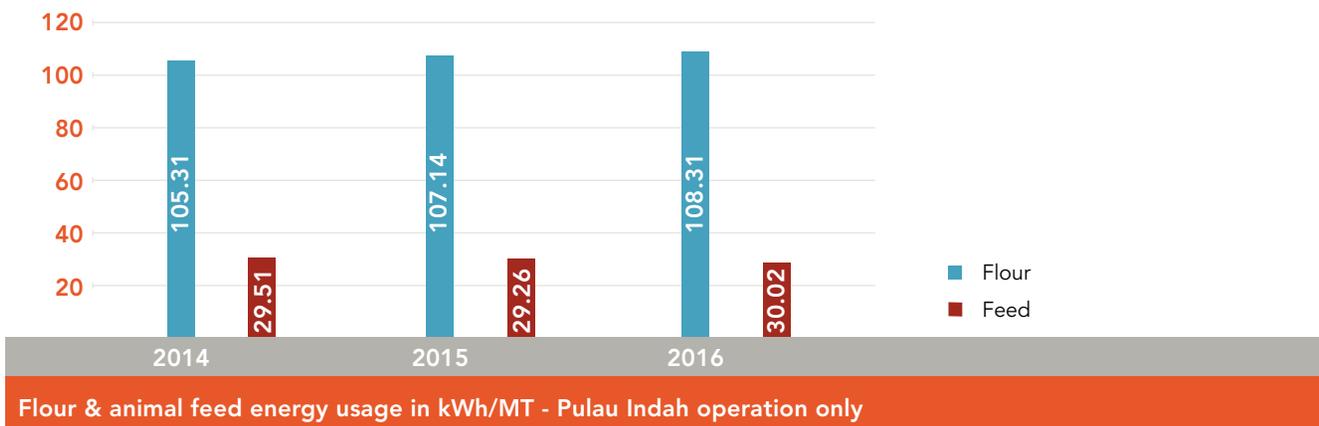
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Reducing energy use where it matters most

Our energy usage has remained relatively stable over the past three years and we will focus our efforts on finding new opportunities to conserve energy and shrink our carbon footprint.

Flour and animal feed milling, for instance, is an energy-intensive activity that accounts for 45% of total Group energy usage. Our flour and animal feed division has a specific policy to strive towards and achieve optimum mill energy consumption. We measure this consumption using a KPI defined as kilowatt-hours per metric tonne (kWh/MT) of milled product, and have set a target to reduce our consumption by 2 kWh/MT for flour production in Pulau Indah by the end of 2019.

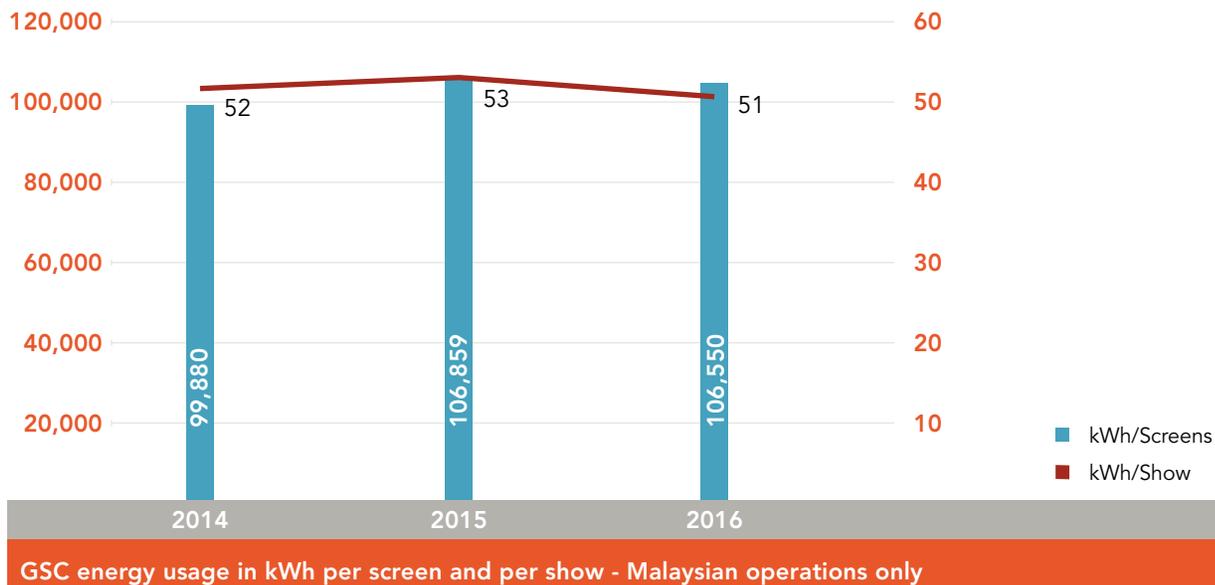


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Cinemas put the spotlight on energy savings

Our cinema division – which operates 306 digital screens in multiplexes across Malaysia as at 31 December 2016 – highlighted energy consumption as a key material sustainability issue. Energy usage is a significant cost to the business. Electricity is used for air-conditioning and ventilation; projectors and sound systems that operate continuously throughout the day; and food and beverage concession equipment, including popcorn machines, fryers, refrigerators and ice machines.

Our cinemas have established a number of best practices, including the use of energy-saving laser projectors; energy-saving lights in cinemas and offices; and VSD (Variable Speed Drive) for air-conditioners.



Energy-saving upgrades for livestock farming

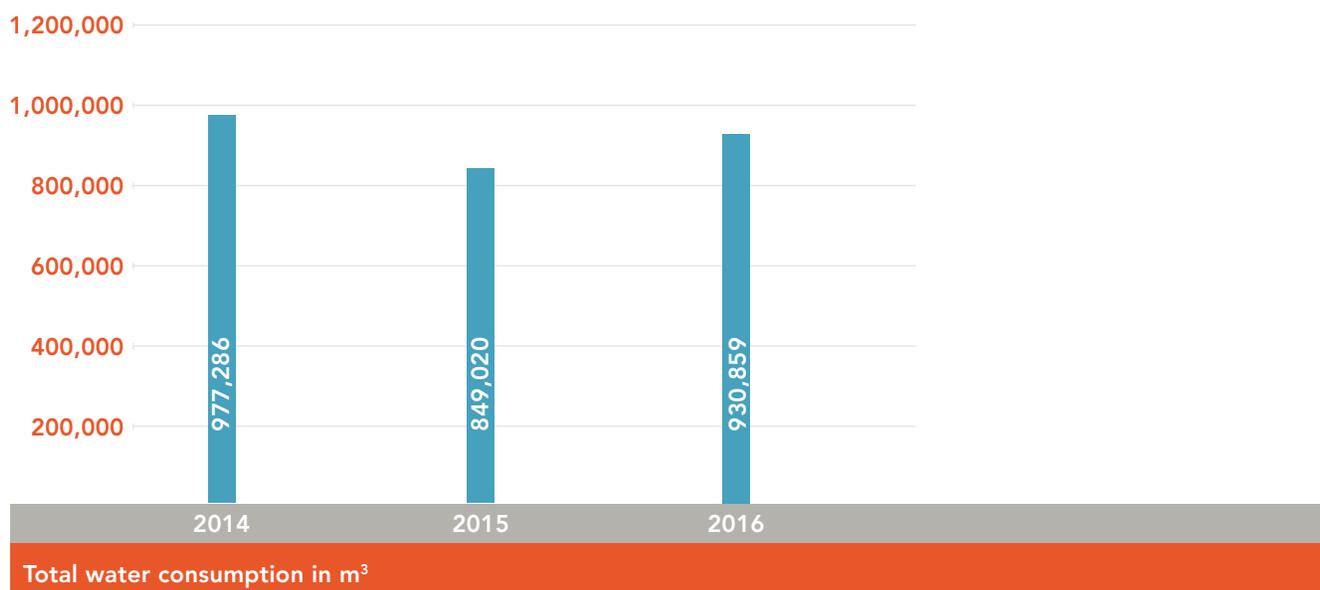
Livestock farming accounts for 11% of PPB Group's total annual energy usage. Farms mainly use electricity for ventilation, feeding and manure removal in chicken houses, and for incubators, water chillers, heating and air-conditioning at hatcheries. Almost all of this equipment runs 24 hours a day.

Our livestock farming division has recorded a consistent use of energy over the past three years, and we believe that our consumption is on par with our peers in the industry. However, we are looking to secure reductions wherever we can. Old equipment is replaced with more energy-efficient models, and we are exploring possibilities to install solar energy solutions that may be eligible for tax incentives under government-led green industry initiatives.

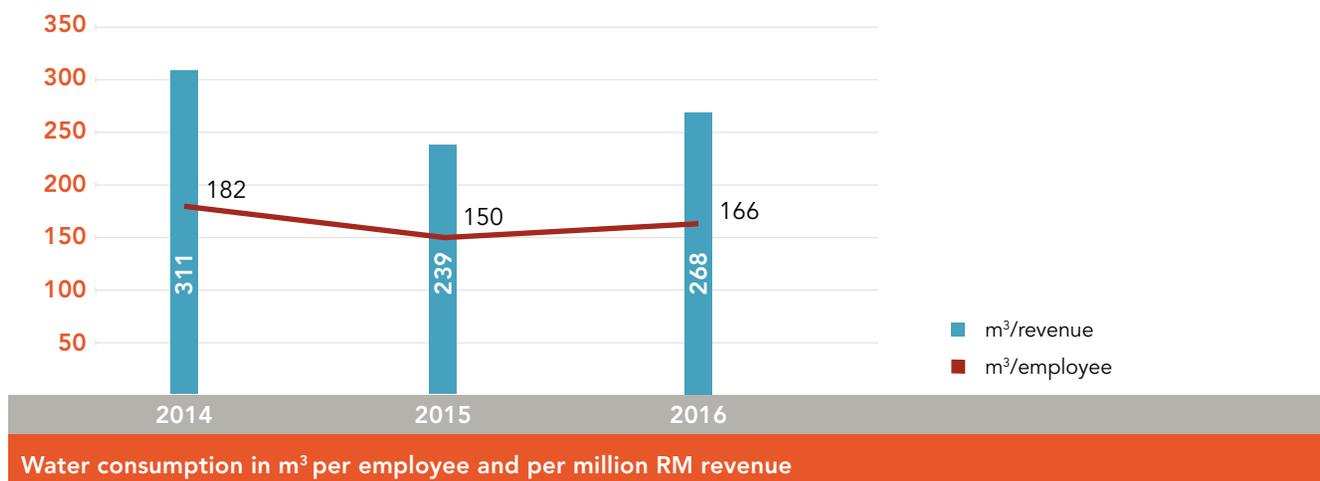
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Developing our strategy for a water-scarce world

Changing rainfall patterns are causing more frequent water shortages and rationing in Malaysia and surrounding countries. Farmers and agribusiness corporations suffer losses when prolonged dry spells prevent the completion of crucial first plantings, and affect crop growth and production. The increasing frequency of water shortages across Southeast Asia has made water use management and conservation important issues across PPB Group's operations, particularly for divisions with high water consumption.



Note: Water usage figures do not include PPB Head Office or operations outside Malaysia.



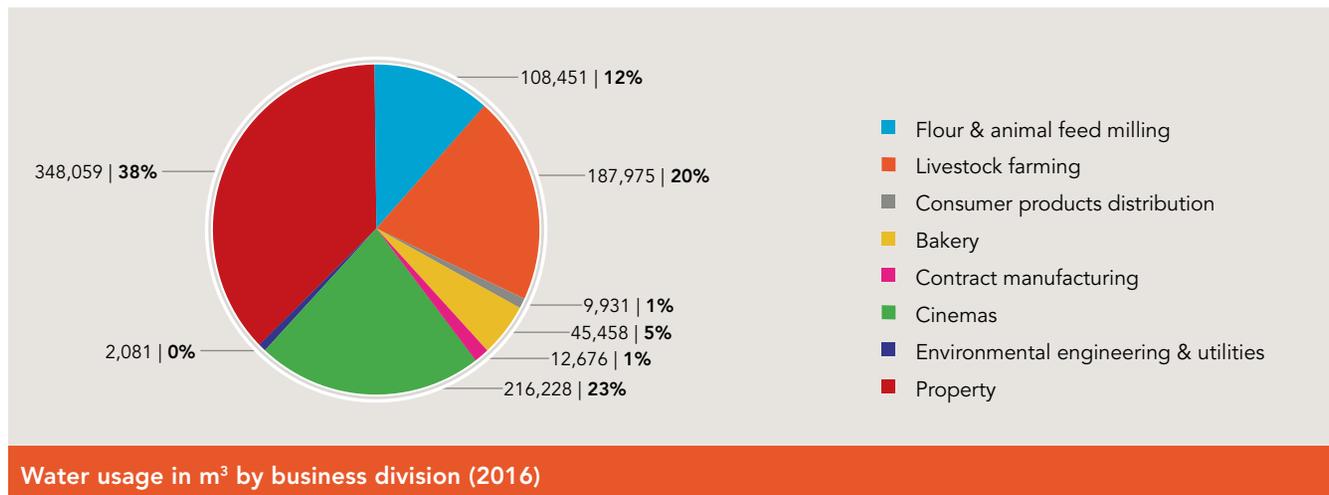
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As a Group, we consumed almost 931,000 m³ of water in 2016, with 80% being used by property, cinemas and livestock farming.

Our property division had by far the highest impact, with tenants (including food and beverage outlets), and lavatory use contributing to more than a third of our total combined footprint. A critical aspect of our ongoing environmental management plans will consequently be to identify opportunities to reduce water usage in all our properties.

Consuming more than 200,000 m³ of water annually, cinemas also account for a significant part of our water footprint. Consumption patterns are similar to those in our property division, with soft drinks and lavatory use constituting the major portion. The division is currently looking to reduce resource consumption in new cinemas through the installation of water-efficient auto-flush facilities.

Almost half of all water used by our livestock farming division is consumed by the poultry; the other half is mainly used for hatchery cleaning. The division is implementing water-saving initiatives, including the use of high-pressure pumps for washing the chicken housing, and recycling of water for the cooling pad and washing hatchery baskets. Further savings are being secured through ongoing checks and maintenance of the water supply line to prevent leaks.



CREATING LESS WASTE

Waste emerged as an important theme for all our business divisions and stakeholders. Waste was commonly grouped together with water and soil pollution issues, recycling programmes and compliance.

Driving compliance on treatment standards

Our Environmental Engineering & Utilities division identified waste handling and disposal, as well as the prevention of soil and water pollution, as being of high importance in the water, sewage, solid waste and flood mitigation segments. Key material issues included sludge disposal and compliance with national regulatory standards for wastewater discharged to surface waters. Of significant importance to stakeholders was the issue of leachate odour, occurring at or close to landfills containing putrescible waste.

Waste from our livestock farming division was also considered an important material issue and therefore standard operating procedures have been established.

PPB Group has division-specific policies covering wastewater treatment, which uses biochemical oxygen demand (BOD) and chemical oxygen demand (COD) as KPIs for treatment effectiveness.

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Rethinking our waste: from refuse to resource

Our businesses work to repurpose waste wherever possible. For instance, the nutrient-rich manure sourced from our poultry facilities is turned into high-quality organic fertiliser for use on farms.

Sustainable packaging: recycling and 'upcycling'

Packaging waste has become an increasingly important material issue as consumers and business-to-business customers seek to minimise their environmental impact. Many of our business units are implementing strategies to reduce, reuse and recycle packaging.

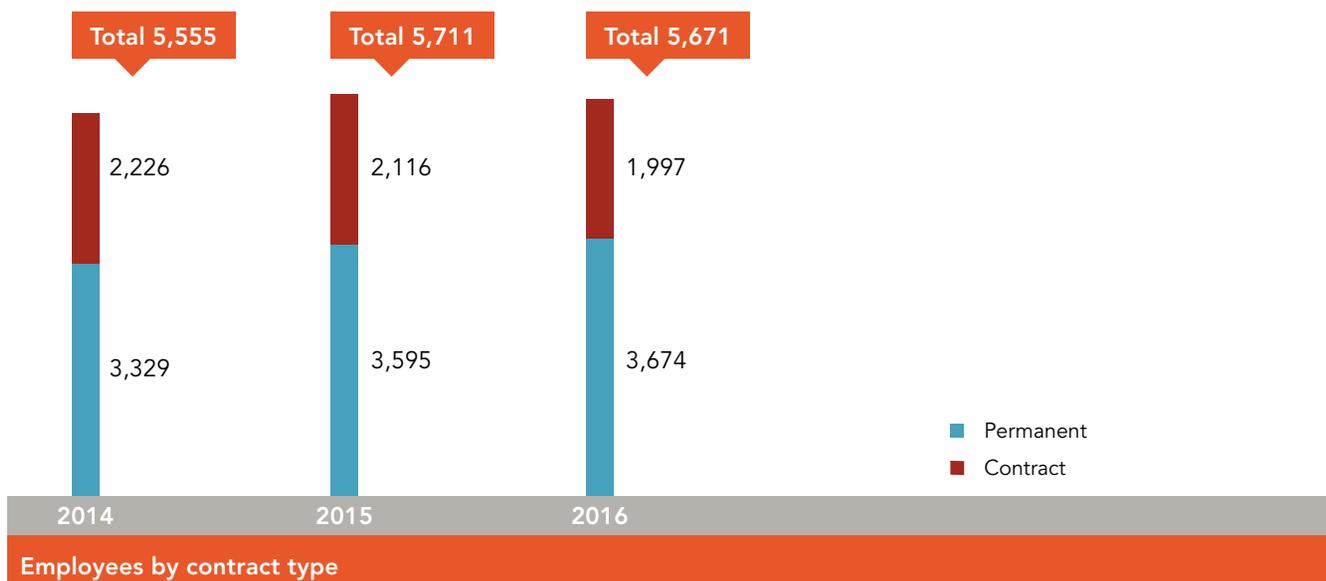
Cinemas are associated with high-volume waste, from dumped snack packaging to discarded ticket stubs. To make the film-going experience more sustainable, our GSC chain has introduced a mobile app that enables movie-goers to go ticketless. Having purchased tickets online, customers at selected cinema checkpoints simply scan the barcode sent to their smartphone.

Trash is also being diverted from landfills through a GSC programme that encourages recycling and 'upcycling'. This internal programme includes introductory talks, as well as workshops and competitions through which opportunities to recycle and upcycle are explored.

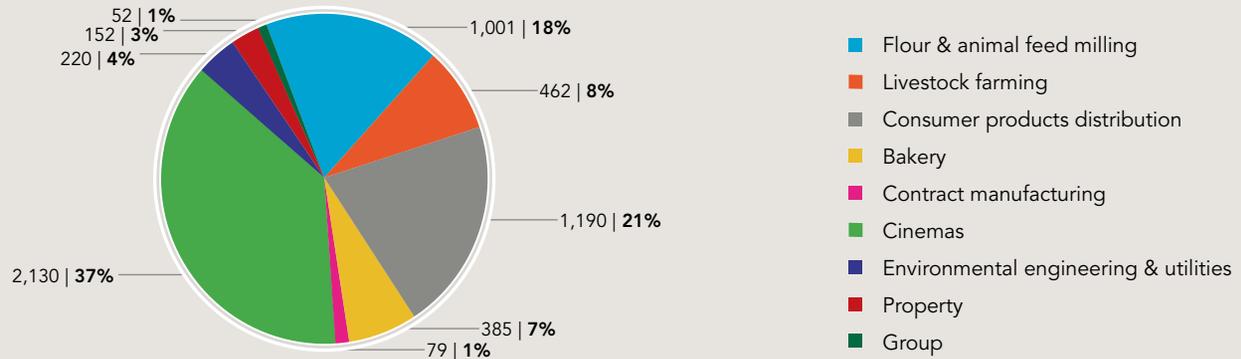
The impact of packaging on marine environments has also been a key focus area. Fridays have been designated 'No Plastic Bag Day' for GSC employees. All funds raised through plastic bag initiatives at our cinemas are donated to NGOs and charitable entities.

EMPOWERING OUR PEOPLE

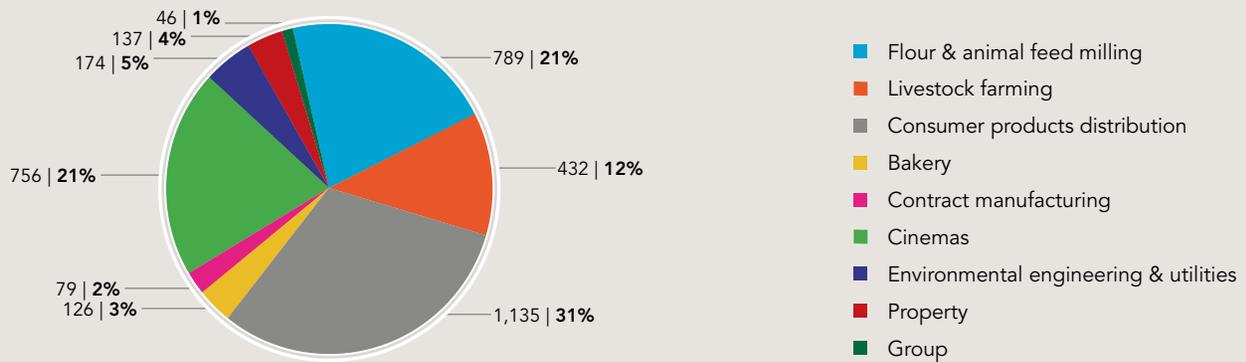
The recruitment and retention of employees – including both unskilled workers and highly skilled professionals – is a major challenge faced by all industry sectors in Malaysia. The Group's continued success will therefore rely on our ability to create and maintain safe workplaces, and an engaging and supportive culture that empowers talented individuals to succeed.



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All employees by business division (2016)



Permanent employees by business division (2016)

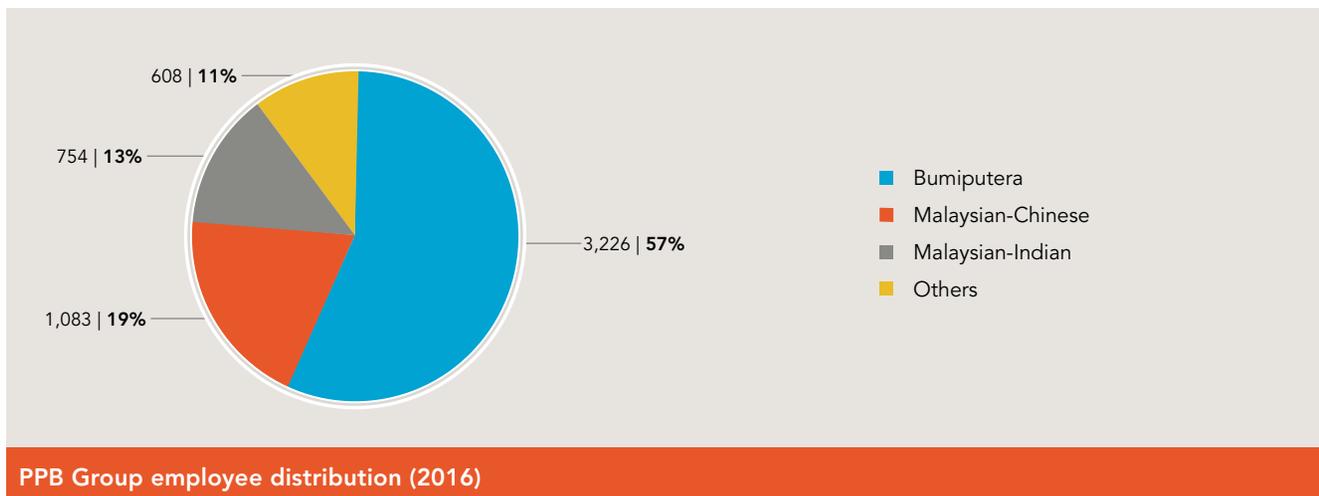
The Group employs about 5,600 people, of whom two thirds are permanent full-time employees. Our cinema business accounts for the highest proportion of workers (37% of PPB Group's total workforce), most of them on a part-time basis. Approximately a third of our permanent workers are employed in the consumer products division, where only a handful of individuals are hired on a temporary basis.

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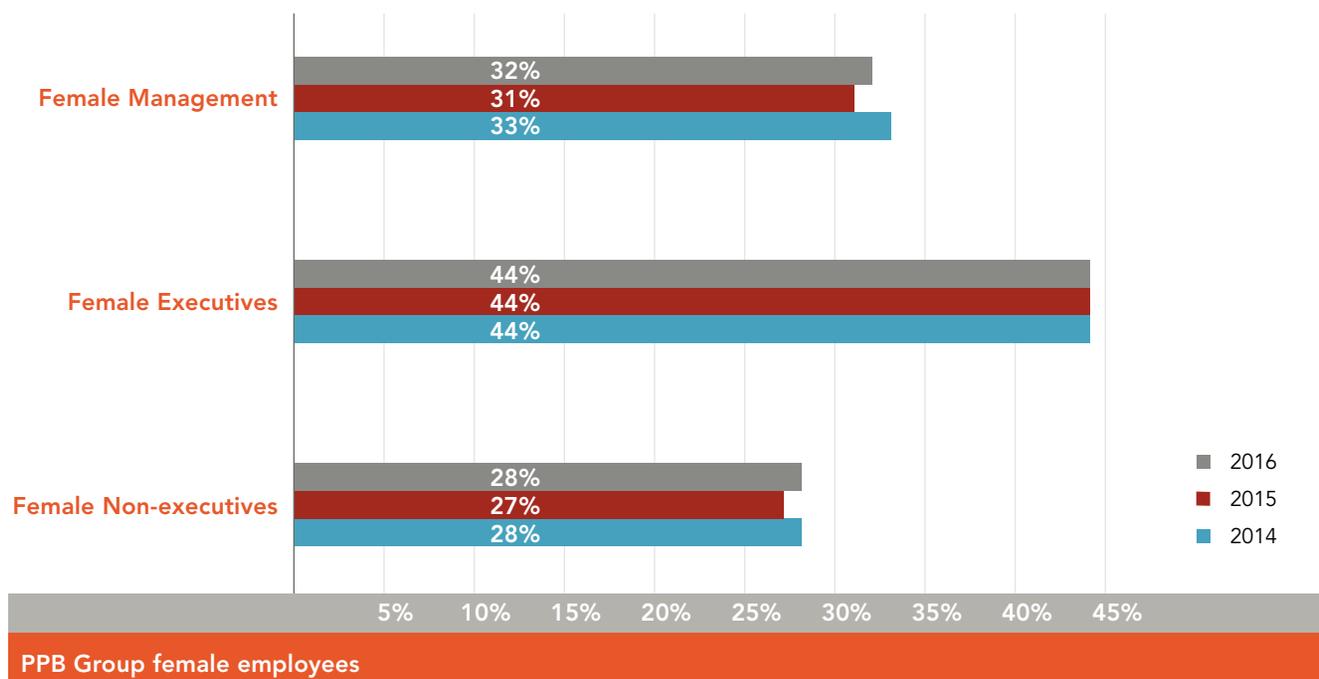
BUILDING STRONGER BUSINESSES THROUGH DIVERSITY

Amidst fierce competition for talent and labour, we want to be recognised as a diverse and attractive employer by all sections of the community, regardless of race or gender. Most businesses will be stronger when their workforce reflects the communities in which they operate.

The majority of our employees are based in Selangor, where Bumiputera (Malays and indigenous populations) constitute half the population, Chinese-Malaysians make up about 30%, and Indian-Malaysians a further 15%.



About 40% of our employees are women. Considering that Selangor has a female labour participation rate of just over 50% (versus the male participation rate of 80%¹) this is relatively high.



¹ <https://knoema.com/ckneekg/malaysia-regional-dataset-october-2013?tsId=1013380>

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WELL-BEING IN OUR WORKPLACES

Having a motivated workforce strengthens our ability to deliver value to our shareholders, business partners, consumers and communities. The majority of our employees undergo an annual performance review, and we work to ensure that PPB Group working environments are healthy and engaging, example by offering sports and/or recreational facilities at a growing number of workplaces.

Employees at FFM Berhad's head office are encouraged to maintain their fitness at a fully equipped onsite gym. Fitness activities have also proved to be a good way to foster teamwork and a stronger work culture. In 2016, PPB staff and their family members participated in the Great Eastern Bubble Dash as well as the Standard Chartered Kuala Lumpur Marathon, both held in Kuala Lumpur. We also create opportunities for workers and their families to gather in the spirit of community by organising Movie Days and runs.

TRAINING AT ALL LEVELS

Employees in all divisions receive training in areas relevant to their functions. For the food-related and manufacturing segments, extensive training is provided on hygiene, food safety and handling (including HACCP) and workplace safety. Practical on-the-job learning is supplemented with segment-specific training, such as chemical handling and biosecurity for the livestock farming division and effluent treatment for the bakery division.

Managers receive ongoing training on the latest legal and regulatory requirements, such as updates to the Employment Act, the Competition Act, the tax code etc. Some divisions have also developed specific leadership and coaching programmes to strengthen management skills.

UPHOLDING LABOUR PRACTICES AND EMPLOYEE RIGHTS

PPB Group is committed to protecting our employees' rights and treating them with dignity and respect. The Group complies with all applicable labour laws, rules and regulations in the countries where we operate, including the Malaysian Employment Act, and regulations governing key issues such as child labour and forced labour. All employees have access to a grievance mechanism to raise concerns related to workplace practices. PPB Group has a zero-tolerance policy against discrimination in any form.

FOREIGN WORKERS AND ILLEGAL LABOUR

PPB Group employs relatively few non-Malaysians – about 10% of our total workforce. These workers are primarily employed in the bakery and livestock farming divisions due to severe labour shortages in both sectors. All foreign workers directly employed by PPB Group have legal contracts and are accorded similar conditions as local workers. Benefits vary across divisions, but generally exceed legal requirements and include access to incentive schemes, medical care and participation in company social and recreational events. In addition, foreign workers are provided with housing and transportation.

No instances of child labour were reported during the current period. PPB Group does not and will not employ any person below the age of 16.



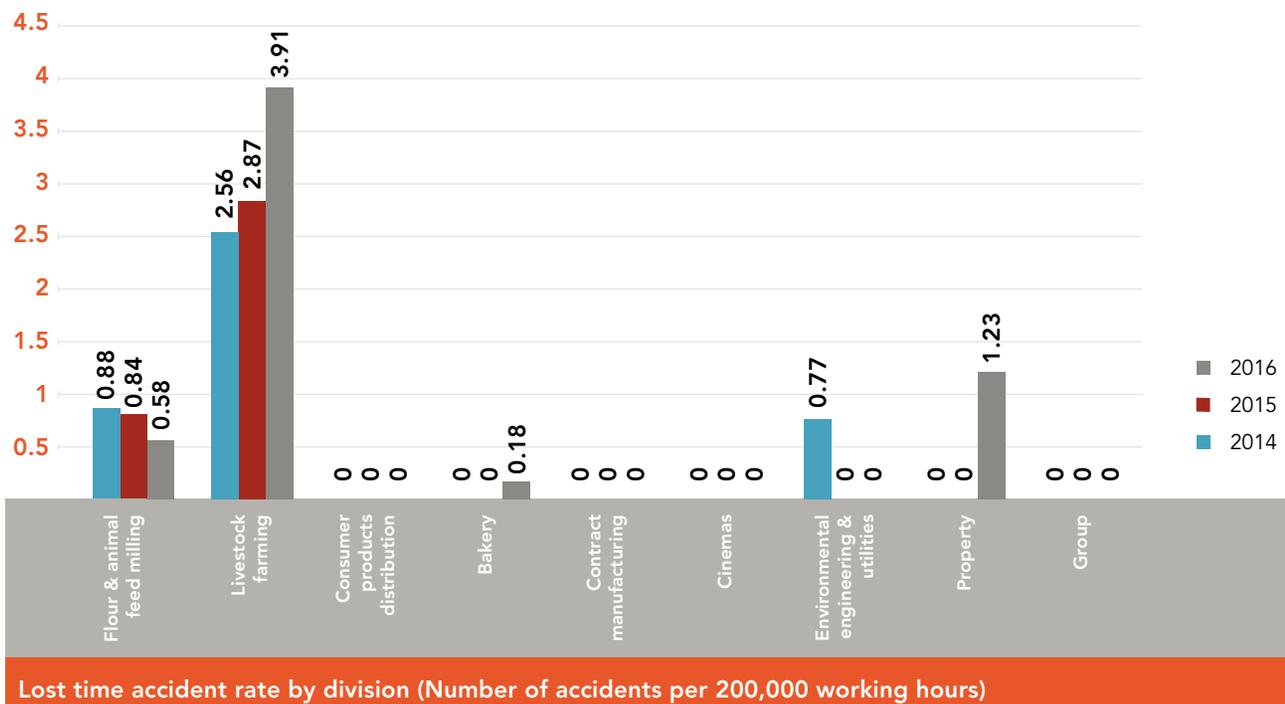
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ENSURING SAFER WORKING ENVIRONMENTS

Our biggest responsibility is to ensure the health and safety of our employees. We aim to foster a risk-averse working environment and eliminate safety hazards across all our divisions.

The Group recorded a total of 31 Lost Time Accidents (LTA) in 2016. We consider this to be a very low number given the size of PPB Group and range of activities. No accidents were recorded at PPB Head Office or in four of our divisions. Sustained focus on safety has resulted in the number of accidents in our flour and feed milling division being reduced by 30% and lost days per accident by almost 70%.

Our bakery and property divisions did record accidents in 2016 – the first in three years for both. These divisions have now strengthened measures to prevent future incidents. While our livestock farming division has successfully reduced the severity of accidents, it still has the highest LTA rate in the Group due to the highly manual nature of the work and the physical environment of the farm. The most common accidents involve slips, sprains and incorrect use of personal protective equipment, and the division is looking into ways to reduce such incidents.



Note: Accidents involving employees only, except accident figures for flour & animal feed milling at Pulau Indah, where figures include contractors working on site.

Average number of lost days per accident by division

	2014	2015	2016
FLOUR & ANIMAL FEED MILLING	38.9	47	11.86
LIVESTOCK FARMING	33.42	32	17.95
CONSUMER PRODUCTS DISTRIBUTION	0	0	0
BAKERY	0	0	14
CONTRACT MANUFACTURING	0	0	0
CINEMAS	0	0	0
ENVIRONMENTAL ENGINEERING & UTILITIES	60	0	0
PROPERTY	0	0	75
PPB HEAD OFFICE	0	0	0

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Massimo's bread roll production line.

There have been no workplace fatalities in the Group over the past two years. Unfortunately, a single fatality occurred in 2014 in our flour and feed milling division, during the demolition of a silo in Johor Bahru, where a worker employed by a third-party contractor suffered a fatal fall. The accident was reported to the Department of Occupational Health and Safety.

Dust explosions

Dust explosions can be a major hazard in mills and bakeries and typically occur where high concentrations of suspended combustible material ignite due to friction, electrical discharge or surface heat. Such explosions occurring in confined spaces can cause injury to personnel and major damage to structures and equipment.

Our food production operations have a division-specific statement of compliance with Standard C stipulated under the Environment Quality (Clean Air) Regulations 2014, which sets a standard dust concentration limit of 0.4 g/Nm³.

The Group's flour and feed milling divisions are covered by their respective Occupational Health and Safety Policies, and report on LTA rates and fatalities. Both divisions have a target of zero industrial accidents.

Hazardous chemicals

The handling of hazardous chemicals was a prominent workplace issue identified in our food production and contract manufacturing divisions. These divisions have specific statements of compliance and detailed standard operating procedures. Specific training on chemical handling is provided to all relevant personnel across PPB Group divisions on an annual basis.

Noise pollution

Occupational noise is linked to long-term hearing loss, especially where employees are exposed to a variety of continuous and intermittent noise from processes and machinery. This makes noise a significant material issue for our property, food and manufacturing divisions where specific policies are in place to protect workers from damaging noise levels. We have also implemented a system to mitigate noise pollution as far as possible at facilities in these divisions. A KPI based on the total area (m²) exposed to noise levels above 85 dB has been established at our flour and feed milling plant in Pulau Indah, and we continually work to reduce this space.

ADVANCING OUR MARKETPLACE

We believe that being a good corporate citizen advances our business success by contributing to a healthier marketplace. Economic performance, corporate governance and customer engagement are among the key material issues for our businesses as a whole.

SUSTAINABILITY STATEMENT

At Group level, marketplace impacts including governance and ethics were deemed to be of high material importance to both PPB Group and stakeholders. The priority issues that emerged from our group analysis were:

- Profit and loss (financial reporting)
- Product quality, safety and halal status
- Customer satisfaction and engagement
- Privacy and personal data protection
- Anti-corruption

OUR CODE OF CONDUCT

Beyond strict adherence to local laws and regulations, every employee is required to comply with our organisation's ethical standards. The code of conduct included in our respective Group staff handbooks explicitly defines our expectations of every employee in terms of business practices and personal conduct.

ANTI-CORRUPTION

The adoption of robust anti-bribery and corruption policies is identified as a major material issue for our business divisions and stakeholders. We have implemented a whistle-blowing mechanism to enable employees to confidentially report any breach, or suspected breach, of any law or of our policies and practices. All complaints are investigated and such breaches can lead to disciplinary measures, including dismissal.

REPORTING ON OUR PERFORMANCE

Accuracy and transparency in financial reporting is of paramount importance for PPB Group and its stakeholders. PPB reports on the Group's financial performance on a consolidated basis and engages stakeholders regularly through quarterly results announcements and e-Investor Updates. We conduct two press and analyst briefings every year to keep our shareholders and the investment community updated.

PPB Group's financial and operational information can be found on our website – www.ppbgroup.com – where stakeholders may also direct enquiries and provide feedback.

PUTTING QUALITY AND SAFETY FIRST

Product and/or service quality and safety were identified as being of high importance to PPB Group operations and stakeholders across every segment without exception. In the food production division, companies must adhere to their quality policies and are covered by division-specific statements on food safety and halal compliance.

All relevant business operations comply with applicable food regulations and standards, including HACCP Certification (MS1480:2007), HACCP Codex Alimentarius Certification, GMP Certification (MS1514:2009), ISO 22000 Food Safety Management System and halal certification.

We have also implemented specific measures to enforce our standards in sector-specific contexts. Our livestock farming division collects data on the mortality rate, body weight, and uniformity and egg production rate of parent stocks and commercial layers. The number of antibiotic treatments administered is also monitored.

Performance on quality and safety parameters is recognised by awards and acknowledgements received by our divisions. For example, our bakery division holds a Silver Putra Brand Award (2015) in the 'foodstuff' category, and a Campus Plus Brand Choice Award (2014) in the 'favourite bread' category.

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CUSTOMER SATISFACTION AND ENGAGEMENT

We encourage active consideration and incorporation of customer feedback in our business areas and practices. Customer satisfaction and engagement are important material issues that have an impact, both for stakeholders and for the brands and reputation of PPB Group companies. During the 2014–2016 reporting period we have seen a growth in customer feedback in the relevant business areas. In 2016, our cinema division received 73 items of feedback per hundred thousand admissions, which included enquiries on screening times, pricing, subtitles, classifications, promotions, hall bookings and birthday redemptions.

Flour and feed milling, livestock farming and environmental engineering & utilities divisions conduct regular customer satisfaction surveys covering areas such as product quality, timeliness, service levels and staff competence.

In addition, our flour milling division engages extensively with customers on sustainability-related topics through participation in the Supplier Ethical Data Exchange (Sedex) and providing updated details on labour standards as well as ethical and environmental practices.

Complaints handling

The Group business entities monitor customer complaints to assess customer satisfaction, while some use the number of complaints received as a KPI to measure performance. Our contract manufacturing business has an annual target of eight or fewer complaints and has achieved this every year in the reporting period. By comparison, our cinema division received 39 complaints per hundred thousand admissions - mainly about e-payment transactions, cinema services and facilities issues – due to the size and customer-facing nature of its operations.

New engagement initiatives

Customer engagement has been taken to another level to support inclusivity and diversity within our cinema business. GSC has connected with people living with disabilities to find ways to enhance the cinema-going experience for them, and has committed to providing accessible facilities in all new cinemas. GSC has also implemented themed film festivals to help drive interracial and cultural awareness in our communities.

Recognition

We are very proud to report that GSC has won Gold in the Putra Brand Awards for the last three consecutive years. The Putra Awards recognise Malaysia's favourite brands and are based on consumer feedback and satisfaction.

Privacy and personal data protection

With enhanced customer engagement – particularly via digital channels – comes an important responsibility to protect individual privacy and personal data. All relevant PPB business divisions have a formal customer privacy policy and are compliant with the Personal Data Protection Act 2010.



SUSTAINABILITY STATEMENT

ENGAGING OUR COMMUNITIES

We see ourselves as a force for good in the communities where we operate. The key community challenges identified in our segments are demand for greater community consultation and support for local wealth and job creation.

Community engagement has long been an area of corporate interest. Today, however, there is a clear trend towards strategic interventions based on local needs. Stakeholder opinions are now far less influenced by gesture-based initiatives: they demand action on community-directed commitments and measureable progress on issues that make a concrete difference at a local level.

Community engagement themes were ranked at varying levels of importance for the various divisions and stakeholders. The most important material issue for PPB Group was local wealth creation to improve public infrastructure facilities while potential public nuisance was seen by our environmental engineering and utilities division as an understandable issue for certain stakeholder groups.

CREATING WEALTH ON OUR DOORSTEP

Our segment workshops identified local wealth creation as a key material issue for PPB Group companies within the community dimension. This reflects the trend towards more targeted and business-focused community initiatives. Improving livelihoods, growing the local skills base and educating communities are generally considered sound long-term business investments.

PPB assesses its performance in this dimension using a KPI based on community investments made in the reporting year. Between 2014 and 2016 we contributed over RM1.8 million to build local educational capacities, improve living standards for indigenous communities and strengthen community welfare.

PPB-KF Welfare Fund for Perlis

The state of Perlis is special to PPB. Home to our very first operations – a sugar cane plantation – Perlis is where our story began. Following the 2010 divestment of our sugar-related businesses, PPB established a RM10 million endowment fund to benefit the poor and underprivileged people in Perlis. Managed by Kuok Foundation Berhad, the fund has so far spent RM1.05 million, primarily on school uniforms and shoes for more than 4,000 primary and secondary school children as part of the annual Educare Project. In addition, the fund has awarded study grants to 46 students, one-off scholarships to 109 secondary school children and cash donations to deserving welfare homes.

Back to School project

Our Back to School project provides free school uniforms and shoes for underprivileged children across many parts of Malaysia. It has been carried out annually since 2010 and has reached schoolchildren in Sungai Buloh (Selangor), Sentul (Kuala Lumpur), Senawang (Negeri Sembilan), Bagan Serai (Perak), Manek Urai (Kelantan) and Asahan (Melaka). PPB has invested about RM450,000 to date in this project and over 10,000 primary school pupils have had their basic school-going needs met.

In 2016, PPB staff distributed school uniforms and shoes to 1,413 students from 15 primary schools in Asahan, Jasin District, Melaka.

EMPOWERING INDIGENOUS PEOPLES

PPB is committed to engaging with Malaysia's indigenous communities (orang asli), understanding their challenges and improving their livelihoods.

Improving access to amenities

Many orang asli live in remote villages composed of rudimentary dwellings which lack basic amenities. By addressing these needs, including access to clean water, sanitary facilities and sturdy shelter, we aim to help improve living conditions in these communities.

To alleviate the pressing need for clean water, PPB sponsored the construction in 2015 and 2016 of 20 wells for the Jakun orang asli communities in Simpai, Pekan and Tanjong Gong, Tasik Cini. Under the terms of the sponsorship, PPB purchased all materials and the communities supplied the labour.

SUSTAINABILITY STATEMENT

The table below shows the total number of families and individuals served by the sponsored wells.

	Simpai (10 wells) Completed in 2015	Tasik Cini (10 wells) Completed in 2016
Families	49	70
Individuals	158	244

In 2017, we plan to sponsor the construction of 10 new wells for another group of orang asli (still to be identified at the time of reporting). This will bring our total investment in well construction for orang asli communities to approximately RM100,000.

As the number of families using the new wells increases, bathing in open areas around the wells becomes inconvenient. Over the next two years, we plan to focus on the communities we have already sponsored and invest a further RM100,000 on toilets and bathing facilities. As with the construction of wells, PPB will purchase all materials and the communities will supply the labour. This arrangement encourages the communities to take ownership of their well-being and living conditions.

PPB is also currently developing a project to sponsor the provision of materials to build more secure roofing for orang asli homes. We endeavour to improve the lives of orang asli who desire better housing and amenities and are willing to contribute to the construction.

Addressing indigenous education needs

We recognise the need for a long-term and systematic approach to reduce poverty and improve the livelihoods and prospects of the orang asli. For this we believe education is the key, but access is a major challenge for their children. Government schools are located in distant towns, which means children face a long journey before and after school, and once home, the lack of electricity hampers homework and study.

To address this gap we are working with Semenanjung Orang Asli (SEMOA), a non-profit organisation which supports orang asli children through the Orang Asli Education Centre (OAEC). The centre, located at Tras in Raub, Pahang, accommodates and cares for about 100 children aged five and above while they attend local government schools. SEMOA has plans to extend the OAEC to accommodate more students and PPB is interested in supporting this project.



SUSTAINABILITY STATEMENT

TAKING ACTION IN OUR COMMUNITIES

Disaster Relief

The KF Disaster Recovery Fund was set up by PPB in April 2015, together with Kuok Brothers Sdn Bhd and Kuok Foundation Berhad (KFB), in response to the massive floods that hit several east coast states in Peninsular Malaysia in December 2014. Managed by KFB, the fund carries out post-disaster recovery works in Malaysia, such as the rebuilding and repairing of homes for underprivileged people, and helps those affected by natural disasters to regain their livelihoods.

With the assistance of FFM Group, the fund has helped 75 families from villages in Kelantan, including Kota Bahru, Pasir Mas, Tanah Merah, Machang, Temangan, Gua Musang and Kuala Krai.

FFM Group staff also distributed baked goods and other FFM products to needy individuals and families during the floods. After the victims returned to their homes, FFM staff made house-to-house deliveries of items such as cleaning products, mosquito sprays and heavy duty garbage bags to 6,000 families.

Addressing pertinent issues in public spaces

Cheras LeisureMall (CLM), a shopping mall owned and managed by PPB, is becoming a community focal point for awareness campaigns and educational programmes in Cheras, Kuala Lumpur.

On World Kidney Day 2016, CLM organised a public event to raise awareness about kidney disease and the importance of early detection. Health was also the focus during Breast Cancer Awareness month, for which CLM organised the annual Pink Umbrella Walk 2016 in partnership with Pantai Hospital Cheras. Booths were set up to offer free health screenings – including blood pressure, blood glucose and body mass index – and instructions for performing self-examinations. CLM also mobilises a quarterly blood donation campaign to drive public understanding that giving blood saves lives.

Broader health and environmental issues were on CLM's agenda during the reporting period. In September 2016, the mall took part in the "Stop the Haze" campaign, which aimed to educate members of the public about the forest and peat fires that had caused a public health emergency across Southeast Asia. The campaign showcased ways to work towards zero haze in Malaysia.

CLM also organised a Fire Kids Club Safety Workshop in July 2016 to educate the younger generation about fire safety. The Malaysian Volunteer Fire and Rescue Association demonstrated a hands-on approach to handling real-life scenarios, teaching 150 children aged 5 to 11 how to act safely in emergency situations.



SUSTAINABILITY STATEMENT



Driving community awareness on shark conservation

Our cinema division has continued to drive community awareness about the importance of shark conservation. Reducing the demand for shark fins is vital for protecting sharks against extinction and maintaining the health of ocean ecosystems. In 2014, GSC made the “I’m FINished with Fins” corporate pledge, and in 2016 embarked on a seven-month partnership with WWF Malaysia for the “My Fin My Life” campaign targeting the present high level of shark fin consumption.

Bridging cultures through film

To stimulate greater awareness of the arts and cultures of other countries, GSC has dedicated International Screens at key locations exclusively for the screening of award-winning foreign language films.

GSC also partners with various foreign embassies and high commission – including those of France, Japan, Singapore and European Union nations – to run festivals that bring the work of filmmakers from their respective countries to Malaysian audiences.

Autism Awareness 2016

April 2016 was Autism Awareness Month. To help support those affected by the condition, GSC ran a fund-raising campaign in collaboration with Current Pictures Sdn Bhd, a film producer. This included screenings of the film *Redha*, a touching story about a family with an autistic child.

For every ticket sold, RM1 was donated to the National Autism Society of Malaysia (NASOM) and RM30,000 was raised for this cause.

The aim was to raise awareness as well as funds. To promote the campaign, GSC ensured all ground staff wore blue badges and the official campaign colours were deployed across all GSC digital platforms. Headquarters staff also received an introductory talk on autism. To increase public awareness and understanding about the challenges faced by autistic persons and their families, snippets of autism-related information were posted on all GSC’s social media channels.

Supporting local filmmakers and artists

It should be no surprise that GSC is committed to supporting Malaysia’s next generation of filmmakers. In 2016, GSC sponsored the launch of the 10th BMW Shorties at GSC Pavilion in Kuala Lumpur. BMW Shorties is a cultural initiative by BMW Group Malaysia to provide amateur filmmakers with a platform to showcase their talent and creativity. GSC gave RM12,533 in donations and in-kind contributions to the event.

GSC also encourages local talent in other artistic fields. In support of local street art, GSC engaged local graffiti artist Mahathir Masri, better known as THEY, to decorate the exit hallways at GSC Mid Valley. His work combined characters from his favourite films, including the Star Wars, Fast and the Furious and Marvel superhero movies, infusing his own graffiti style in the process. THEY also designed limited edition T-shirts sold to the public to raise RM30,000 for the children of Persatuan Kebajikan Kanak-Kanak Cornerstone charity.

GSC now provides opportunities for other talented local street artists to decorate its cinema walls with movie-related graffiti. Movie-goers can spot exciting graffiti works in GSC IOI City Mall and GSC Ipoh Parade amongst others, as GSC brings contemporary street art into cinemas nationwide.

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